Egypt Issues New Feed-in Tariff Framework for Waste-to-Energy Projects

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Introduction

Prime Ministerial Decree No. 4096 of 2025 (the" **Decree**") establishes a new regulatory framework for electricity generation from **municipal solid waste (MSW)**, replacing the previous regime under Cabinet Decree No. 41 of 2019. The Decree aims to promote private investments in waste-to-energy projects while supporting sustainable waste management.

The Decree was published in the Official Gazette on 11 November 2025. We shall delve into the key highlights of the Decree as follows:

Feed-in Tariff Structure

The feed-in tariff for purchasing electricity generated from municipal solid waste is set at USD 0.07 + EGP 0.35 per kWh.

The USD component is payable in Egyptian Pounds based on the Central Bank of Egypt's exchange rate on the invoice date. This tariff constitutes a mandatory maximum cap that cannot be exceeded in contractual arrangements.

Cost Sharing Mechanism

The Decree introduces a clear allocation of payment obligations, as follows:

i) 43% of the tariff is borne by the administrative authority (Governorate or New Urban Communities Authority).

ii) 57% of the tariff is borne by electricity distribution companies.

These percentages remain fixed even where a lower tariff is achieved through competitive bidding.

Project Structure and Land Allocation

Projects must be implemented by a project company incorporated as a joint stock company in accordance with Egyptian law.

Land is allocated by the relevant administrative authority to the project company under a usufruct system for up to 25 years, starting from the commercial operation date, and subject to Cabinet approval and compliance with applicable technical and environmental requirements.

Procurement and Capacity Limits

Projects are awarded through competitive tendering under Law No. 67 of 2010 ("**PPP Law**"), or Law No. 182 of 2018 ("**Public Contracts Law**"), the tendering process shall follows a pre-qualification process.

Key Capacity thresholds include:

Total National Capacity: 300MW within three years.

Per-project capacity: between 500 KW and 20 MW.

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The feed-in-tariff will be reviewed once the cap is reached or after three years, whichever occurs first.

Regulatory Oversight and Guarantees

The Waste Management Regulatory Authority and the Egyptian Electric Utility and Consumer Protection Regulatory Agency jointly oversee the technical compliance and contract approvals of the projects.

Payment obligations of public electricity distribution companies are guaranteed by the Egyptian Electricity Holding Company, while private distributors must provide adequate financial guarantees under the approved power purchase agreements.

Institutional Framework and Technical Committee

The Decree establishes a specialized committee to oversee the framework governing waste-to-energy projects. The committee shall be formed by a decision of the Minister of Environment and shall be chaired by the Chief Executive Officer of the Waste Management Regulatory Authority, with membership of (i) relevant ministries, (ii) regulatory authorities, (iii) public bodies, and (iv) three experts in the fields of waste management and energy.

The committee is entrusted with setting the technical and financial rules and conditions applicable to waste-to-energy projects, as well as conducting the technical and financial evaluation of projects operating in this sector. The committee's outputs are submitted to the Minister of Environment for approval, and the decision establishing the committee shall determine its working mechanisms and technical secretariat.

Conclusion

The Decree is expected to support increased private investor interest in waste-to-energy projects once competitive tenders are launched. The Decree provides a more concrete and transparent framework for waste-to-energy projects in Egypt, strengthening investor's contractual certainty through capped tariffs, defined cost allocation, competitive procurement, and regulatory oversight.

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